

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

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ADDIE VANCIL, Derivatively on Behalf of
ISTAR FINANCIAL INC.,

Plaintiff,

vs.

JAY SUGARMAN, ROBERT W. HOLMAN,
JR., ROBIN JOSEPHS, GEORGE R. PUSKAR,
JOHN G. MCDONALD, JEFFREY A. WEBER,
GLENN R. AUGUST, DALE ANNE REISS,
CATHERINE RICE, NICHOLAS A.
RADESCA, and TIMOTHY J. O'CONNOR,

Defendants,

-and-

ISTAR FINANCIAL INC., a Maryland
corporation,

Nominal Defendant.
-----X

: Civil Action No. 1:10-CV-04312-RJS
: (Rel. *Citiline Holdings, Inc. v. iStar Fin. Inc.*,
: *et al.*, Case No. 1:08-03612 (RJS))

:
: STIPULATION OF VOLUNTARY
: DISMISSAL AND [PROPOSED] ORDER

STIPULATION OF DISMISSAL

WHEREAS plaintiff Addie Vancil filed this Verified Shareholder Derivative Complaint on behalf of iStar Financial Inc. ("iStar" or "the Company") for Breach of Fiduciary Duty, Waste of Corporate Assets, and Unjust Enrichment on May 28, 2010;

WHEREAS defendants contend that the demand underlying this action is identical to two other shareholders' demands that were investigated by the Special Committee appointed by iStar's Board of Directors to evaluate the merits of the claims asserted by Plaintiff on behalf of iStar, and that the Special Committee's report recommending that no action be brought with respect to such claims reflected a proper exercise of business judgment;

WHEREAS, due to her declining health, on November 14, 2011, Plaintiff submitted a pre-motion letter notifying the Court of her intention to bring a motion to appoint her companion and financial advisor, M. Lee Arnold, as Guardian *Ad Litem* in this action pursuant to Rule 17 of the Federal Rules of Civil Procedure;

WHEREAS the Court conducted a pre-motion conference on December 5, 2011, during which the Court indicated its interest in having Plaintiff and Mr. Arnold appear for examination by her counsel and the Court, and cross-examination by defendants' counsel, with respect to issues relating to Plaintiff's motion, and ordered the parties to present a joint letter stating their respective positions as to proposed dates for an evidentiary hearing and the manner of witness examination;

WHEREAS, following the pre-motion conference, Plaintiff's counsel discussed the Court's December 5, 2011 Order with Plaintiff, Mr. Arnold and Dr. Philip Conway, Plaintiff's treating physician, and determined that Dr. Conway had concerns about Plaintiff's ability to provide reliable testimony concerning the action due to her advancing Dementia, and about the health consequences and burdens on Plaintiff due to her physical infirmities and limitations;

WHEREAS, pursuant to the Court's December 5, 2011, Order, the parties conferred regarding the scope and manner of the evidentiary hearing, during which Plaintiff's counsel discussed the foregoing concerns;

WHEREAS, in view of the concerns about Plaintiff's declining health, her ability to provide reliable testimony, and the burdens such testimony would impose on Plaintiff given her advancing mental and physical infirmities, Plaintiff seeks the Court's approval to voluntarily dismiss this action with prejudice as to Plaintiff only pursuant to Fed. R. Civ. P. 23.1(c);

WHEREAS the parties agree that notice is not required because the proposed dismissal sought would be without prejudice as to other shareholders or to the Company, other shareholders have had ample opportunity to pursue, and have pursued, the same or similar demands and claims on behalf of the Company, and no consideration has been offered or given in connection with the proposed voluntary dismissal of this action;

WHEREAS the parties agree that all parties and counsel have litigated the action in good faith, and that each party shall bear their own fees and costs;

NOW THEREFORE the parties hereby STIPULATE and AGREE, and request that the Court enter an order approving the voluntary dismissal of this action Pursuant to Fed. R. Civ. P. 23.1(c), as follows:

1. This Action is hereby dismissed with prejudice as to Plaintiff only. This dismissal is without prejudice as to the Company or any other shareholder.
2. Notice of said dismissal is not required because other shareholders have had ample opportunity to pursue the same or similar demands and claims on behalf of the Company, no consideration has been given in connection with the voluntary dismissal of this action, and no claims have been released as a result thereof.
3. Each party shall bear their own fees and costs.

DATED: December 12, 2011

Respectfully submitted:

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Inc.

Having considered the foregoing, and finding good cause therefore,

IT IS SO ORDERED.

DATED: December __, 2011
New York, New York

RICHARD J. SULLIVAN
UNITED STATES DISTRICT JUDGE